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C O N F I D E N T I A L SECTION 01 OF 04 ASUNCION 001280

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TAGS: [PREL](#) [PGOV](#) [KCRM](#) [PINR](#) [PA](#)
SUBJECT: PRIEST'S PRESIDENTIAL PROPOSITION PERTURBS
PARAGUAY'S POLITICS

Classified By: DCM Michael J. Fitzpatrick. Reasons 1.4(b),(d)

¶1. (C) SUMMARY: The Christmas Day official announcement by Fernando Lugo, a Catholic priest, that he will run for President of Paraguay in the 2008 elections set off a firestorm of debate within -- and without -- the political establishment over his eligibility, potential support, and prospects. While he has yet to articulate a well-defined political and economic agenda, he has broadly committed himself to the fight against corruption and to building a just and equitable society. To maintain his current lead in the public opinion polls, however, he will need to: marry support from his natural constituency among long disenfranchised elements (principally from the left) with the established political opposition parties; draw support from disaffected Colorado Party members; and, hold up under withering fire from the Colorado political machine.

¶2. (C) Consolidating the support of the disparate opposition parties will likely pose Lugo his greatest challenge, as each has its own pre-candidate(s) with presidential ambitions. Colorado Party leaders have already stepped up attacks on Lugo's character and credibility, where he does have some vulnerabilities. The Vatican's admonition against resignation of his pastoral duties also stirs the domestic controversy relating to a constitutional bar against any cleric assuming Paraguayan elected office. The coming year promises to be tumultuous as the political establishment wrangles with how to deal with -- whether to follow, reject or otherwise attempt to absorb -- this newcomer. END SUMMARY.

LUGO LAUNCHES CANDIDACY ON CHRISTMAS
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¶3. (U) Monsignor Fernando Armindo Lugo Mendez, S.V.D., officially declared his candidacy for the Presidency of Paraguay on December 25 in front of his parent's home in Encarnacion. He had long been rumored a potential 2008 presidential candidate, particularly after he led the opposition in a large March demonstration against the President's maneuver to win simultaneous appointment as the Colorado Party's President. Prior to his emergence then with a more mainstream message condemning corruption, Lugo had participated and led a number of countryside peasant demonstrations that often produced road blockages and land invasions. (NOTE: Lugo was ordained the bishop of San Pedro in 1994, a position he resigned in January 2005. San Pedro, one of the poorest of Paraguay's agricultural areas, has been long neglected by the Colorados and historically a wellspring of opposition politicians. END NOTE.) In announcing his political candidacy, Lugo steered away from articulating a

formal platform and refused to cast his message in ideological terms, instead committing himself to building a more just and equitable society. He rejected looking to either Bolivia or Venezuela as models for Paraguay, suggesting Paraguay needed to chart its own course and appealing for the support of diverse, disparate segments of Paraguayan society and political structure.

BUILDING A BIG, BIG TENT

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14. (U) Fernando Lugo has served as the symbolic leader of a coalition of political parties and other organizations that produced the March demonstration and as the uniting force behind the opposition's campaign against the President over the last nine months. But Paraguay's elections have historically been driven by party politics and allegiances. Lugo recognizes this and has worked hard to build up credibility and support, particularly from political party opposition leaders naturally distrustful of someone outside their structures.

15. (C) Lugo, however, fed some of the suspicions of opposition party leaders, particularly those from the center-right, when his supporters from the left announced December 17 creation of a new movement named "Tekojoja," the guarani word for "equality." This coalition comprised of labor unions, peasant groups, and leftist political parties, including members of the militant leftist party Free Fatherland (Patria Libre) which was tied to the Cecelia Cubas kidnapping, presented a petition with 100,000 signatures supporting Lugo's candidacy. Notwithstanding Lugo's efforts to moderate his political discourse over the last year, many regard this group as representative of his natural leftist

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tendencies. Lugo's next-day claim to the DCM that he was taken by surprise with the creation of this group and was not aware that some of its leaders hailed from Patria Libre come off as disingenuous.

16. (U) Separately, Lugo's brother, Pompeyo Lugo, a dissident from the ruling Colorado Party, announced December 27 creation of yet another movement, Paraguay Posible, made up of Colorados, businessmen, and other segments more traditionally associated with conservative politics. Many consider the creation of this group as an attempt to appease sensitivities spun up over the creation of Tekojoja. This group could serve the medium for seeking out the support of Colorado Party members that make up the majority of the registered electorate. (NOTE: The Lugo family has a long and respected tradition of Colorado Party activism. Msgr. Lugo's grandfather was a conservative Minister of Treasury in the post-war era. His father was reportedly repeatedly jailed as a Colorado dissident during the Stroessner dictatorship. END NOTE.)

CAN THE TENT ACCOMMODATE OTHER PRESIDENTIAL ASPIRANTS?

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17. (C) Lugo's principle challenge will lie in keeping all of these disparate groups united behind his candidacy. Given his own leftist roots and the lack of another viable alternative, his supporters from within the movement Tekojoja promise to be the most loyal. Meanwhile, support from the coalition of opposition parties is fragile. Each of the major political parties) the Liberals, the Free Fatherland Party (PPQ), and the National Union of Ethical Citizens Party (UNACE) - has its own major figures with presidential aspirations. It is just this opposition disunity (helped along by more than a smattering of financial grease) that has allowed the Colorados to divide and rule for six uninterrupted decades.

o LIBERALS: Senator Carlos Mateo Balmelli and Governor of Central Department Federico Franco have both announced their own candidacies. Franco has signaled a readiness to cede to

Lugo given the broad support he has been able to attract. Mateo, however, headstrong and actively campaigning for over a year now, will prove very resistant to giving way to this newcomer whom he regards as ill-prepared to govern. Mateo could prove a potentially divisive force within the opposition should he decide to remain a candidate or even just withhold support for Lugo.

o PATRIA QUERIDA (PPQ): leader Pedro Fadul, who ran for President in 2003 and still has strong presidential ambitions, continues to signal his readiness to cede to Lugo as potentially the opposition's only hope for ending 60 years of Colorado rule.

o UNACE: Enrique Gonzalez Quintana (EGQ), the current President of Congress, holds out hope he will be able to spring a political or legal deal that would win the release of imprisoned coup leader General Lino Oviedo, so that he could run in the 2008 elections. EGQ conveyed to Pol Chief December 21 concerns about Lugo's leftist tendencies. At the same time, he maintained Lugo and Oviedo had been in contact and even discussed a potential union on a presidential ticket. (NOTE: Oviedo is only two years into a 10-year sentence. It presently remains difficult envisioning the Colorado-controlled Supreme Court allowing for his release. A separate appeal of his trial before an extraordinary military tribunal (he was retired when tried), however, is currently before the Inter-American Court of Human Rights. Lugo's legal advisor, Rafael Saguier, told Pol Chief Lugo is not interested in Oviedo as a running mate and was looking instead at identifying a woman to run with him. Lugo and Oviedo have typically been running one and two, respectively, in public opinion polls on whether elections were held today. END NOTE.)

18. (C) While party leaders publicly welcome Lugo's candidacy and PPQ and UNACE along with other opposition leaders have committed themselves to a united front, the coalition has yet to coalesce -- much less embrace a mechanism for deciding on a common presidential candidate and candidates for Congress and lesser positions. Three options are presently under consideration: 1) each party holds a

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primary, the winners of which face off against each other; 2) all candidates face off against each other in one open election; or 3) party leaders agree amongst themselves on a single slate of candidates. Lugo legal advisor Rafael Saguier signaled a preference for the latter. He appreciates concerns about Lugo's leftist tendencies. However, he also maintains the opposition parties recognize Lugo represents their best chance at throwing out the Colorados. He posits they will eventually agree to back Lugo for President provided they run their own party candidates for Congress where they will command the majority and serve as a check on any misguided tendencies on his part. For his part, Lugo spoke to PolChief and DCM of his concerns about not being able to govern were he elected without any Congressional supporters to call his own, a la Correa of Ecuador.

COLORADOS FEELING THE HEAT -- AND TURNING IT ON

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19. (C) In one early December poll, Lugo drew the support of 24 percent of voters compared with 21 percent for President Duarte. Duarte has given himself until March to win the support he needs within Congress to pursue an amendment to the Constitution to allow him to run for reelection. Slowly, he is coming to the realization that prospects are long for that to happen. Other presidential aspirants within the Colorado Party are keen to resolve this issue so they can launch their own campaign.

110. (C) Vice-President Castiglioni hopes to win his Party's endorsement as its candidate in the 2008 elections but he has not gained President Duarte's formal backing yet, though they have begun a marked increase in their joint public

appearances. In an uncharacteristically strident tone, Castiglioni launched an attack on Lugo December 27, describing the priest's bid for the Presidency as unconstitutional and calling attention to his association with militant leftists from Patria Libre. Duarte signaled conflicting sentiments about Lugo's candidacy, welcoming it on the one hand for the prospect it offers to reinvigorate political debate but describing Lugo on the other hand as "Lucifer," and a failed cleric with no future in politics. Colorado Party king maker Sen. Galaverna described Lugo as a liar and crazy. Lugo can and should expect Colorado attacks to sharpen should he continue to poll competitively with the Colorados.

LUGO LEAVES THE CHURCH. OR DOES HE?

¶11. (U) Paraguay's 1992 Constitution bars "ministers from any religion" from running for President. To overcome that restriction, Lugo announced the renunciation of his priesthood December 21. Anticipating this announcement, the Vatican's Prefect of the Congregation of Bishops, Giovanni Battista Re, wrote an official letter to Lugo December 20, which was promptly made public. It advised that as a bishop (Lugo's current official title is Bishop Emeritus) he is barred against running for political office and warning him that if he proceeds he faces sanctions, including the loss of his right to practice the sacraments and, in the most extreme case, excommunication. The threat regarding his practicing the sacraments as a priest rings rather hollow, as Lugo voluntarily gave up this right by virtue of his renunciation.

Excommunication, of course, would be another matter and much more serious. However, Church officials have also suggested that Lugo cannot renounce his status as a bishop, essentially maintaining that, according to Catholic Church doctrine, once ordained a bishop by the Church, one is bishop for life. Lugo's supporters have suggested his personal renunciation meets the constitutional bar against ministers running for President. Detractors, on the other hand, argue otherwise leaving open the possibility for a Constitutional challenge.

¶12. (C) The Paraguayan Episcopal Conference (CEP), the governing body for the Catholic Church hierarchy in Paraguay, has assumed a higher profile in recent years, condemning corruption and the government's failure to address poverty. The CEP has been somewhat more ambiguous to date on its views on Lugo and his potential candidacy. Privately, some of its key members, including Archbishop Cuquejo of Asuncion, have signaled to us suspicion of Lugo and support for Vice-President Luis Castiglioni, a devout Catholic and member of Opus Dei. At the same time, the CEP has issued public statements conveying support for Lugo as one of its own.

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Undoubtedly, left-right tensions exist within the CEP, even as it attempts to focus on the non-partisan needs of the faithful. With the Vatican having taken an unambiguous stance opposed to Lugo's candidacy, the CEP is left with little choice but to toe the same line. No doubt, the CEP will seek to avoid entering into an extended public debate over this issue. It remains to be seen to what extent the Church's position on this issue will impact voting tendencies in this overwhelmingly Catholic country.

COMMENT

¶13. (C) COMMENT: Lugo's candidacy injects a significant measure of suspense and controversy into traditionally sterile campaigns for political office in Paraguay. Opponents are quick to cast Lugo as the next Chavez or Morales. Given Paraguay's conservative tradition and Lugo's reliance on opposition political party support, though, he will seek to pitch a relatively moderate platform. In the end, he could be hardpressed to hold together the disparate interests of opposition political parties not accustomed to supporting candidates from other parties. The Colorados have their own work cut out for them, identifying a candidate the

opposition will not single out as a poster child for corruption. (By that measure, Lugo would be wise to adopt President Duarte's statement that "Lugo is a threat to the status quo" as his own rallying cry.) The Colorado strategy, in the meantime, will likely continue to center on drawing attention to Lugo's own defects. In the weeks and months ahead both sides will need to declare what they stand for and square their past records with their stated objectives) something that could prove a challenge for all involved. END COMMENT.

BIO NOTE

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¶14. (U) BIO NOTE: Fernando Lugo was born in Paraguay on 30 May 1949, into a well-known Colorado Party family. He was ordained a priest in the Society of the Divine Word in August ¶1977. Septel will report in detail on his past and attempt to separate fact from fiction regarding some of the many swirling accusations being made against him.

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